

KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD

Small Employer Health Options Program (SHOP) Subcommittee

Meeting Minutes

May 20, 2014

Call to Order and Roll Call

The SHOP Subcommittee met on Tuesday, May 20, 2014 at 1:30 p.m. in the Large Conference Room at the Office of the Kentucky Health Benefit Exchange. Carrie Banahan, Executive Director, Office of the Kentucky Health Benefit Exchange, on behalf of Jeffrey Bringardner, Chair, called the meeting to order at 1:30 p.m., and the Secretary called the roll.

Subcommittee Members Present: Wayne Barber (by phone), Dr. Richard Broeg (by phone), Paul Brophy (by phone), Dr. Joe Ellis (by phone), Edward Erway (by phone), Carl Felix, Jan Gould (by phone), Connie Hauser (by phone), Doug Metzger (by phone), Jack Tillman (by phone), and Bob Weiss.

Staff Present: Carrie Banahan, Chris Clark, Leigh Edens, Wanda Fowler, David Ison, Lavina Johnson, Tracy Kemper, Bill Nold, Melea Rivera, Carol Turner-Lodmell, and Blaine Wainscott.

Approval of Minutes

A motion was made to accept the minutes of the January 16, 2014 meeting as submitted, seconded, and approved by voice vote.

Update on the Exchange

Ms. Banahan shared enrollment information with the members. Since January 1, 2014, 54 employers have enrolled 455 (329 employees and 128 dependents) individuals through SHOP. Seven (7) new employers will be added in June, 2014. Of the 54 employers, 25 have offered employees the choice of all plans and 19 offered only 1 plan. Gold was the most common level of coverage offered by employers. A total of 42 qualified health plans (QHPs) are offered by issuers on SHOP. There are no new issuers that have submitted a letter of intent to offer plans in SHOP. Two new issuers have submitted letters of intent for the individual market.

Various reasons may have contributed to the low enrollment numbers in SHOP, including system design and functionality, inability of agents to create an account on behalf of an employer and to obtain quotes, and the early renewals of existing plans in the small group market.

The Exchange enrolled 420,000 in the individual market at the end of open enrollment. Eighty percent of these were Medicaid and 20 percent were enrolled in a qualified health plan. Today there are 508,000 enrolled.

Agents enrolled 44 percent of individuals in QHPs and kynectors enrolled 15 percent. Agents also enrolled 6% and kynectors/assisters 27 percent of Medicaid enrollees.

Silver was the most popular plan due to the availability of Cost Sharing Reductions. The next most popular was the Platinum plan. Approximately 20 percent of enrollments in QHP were with no financial assistance.

Thirty three (33) percent of enrollees in QHPs were under the age of 35.

The uninsured rates in the state have been reduced significantly. Prior to open enrollment, there were only 2 counties with uninsured rates in the single digits. Today there are 75 counties with uninsured rates in the single digits. In the eastern part of the state, Region 8, the uninsured rate was decreased by more than 60%.

Future SHOP System Changes

Chris Clark, Technology Project Manager, Office of the Kentucky Health Benefit Exchange (KHBE) updated the subcommittee on opportunities to increase enrollment in SHOP. Systems limitations have been reviewed and updates/changes are being planned. Tools for agents and assisters to help employers enroll are being put in place to help employers in the short term. This includes a new quoting tool for agents.

Long range, the Exchange will be enhancing/replacing our current SHOP system to have a more customized solution to improve SHOP. The Exchange is targeting March 2015 for the release of this product.

SHOP/Navigator Task Force

Ms. Banahan reported on the recommendations of the SHOP/Navigator Task Force that met February 20, 2014. The Task Force made several recommendations and steps have been taken to respond to those recommendations, including the creation of an Excel quoting tool, system changes to allow agents to establish an account on behalf of employers, and a 2-day (4 session) training event for agents held in March. The Exchange will be hiring a full-time staff person dedicated to training. The Exchange is also looking at staffing issues to address wait times at the Call Center.

Regulatory Changes

Wanda Fowler, Policy Analyst, Office of the Kentucky Health Benefit Exchange, informed the Subcommittee members of recent amendments to the federal rules that impact the SHOP.

Employee choice.

Federal regulations currently provide that a SHOP must make available to employers the option of selecting a metal level of coverage and make all health plans at that metal level available to employees ("employee choice"). Based on concerns from issuers about adverse selection, the federal regulation has been amended to give states the option of not implementing this provision if the Department of Insurance (DOI) can explain that not implementing this provision is in the best interest of small employers and their employees and dependents. This recommendation from the DOI must be submitted no later than June 2, 2014. This transitional policy only applies to 2015.

Enrollment periods under SHOP.

The amended rule reinforced the provision that federal SHOPs will not enforce minimum contribution and participation requirements between November 15 and December 15 of each year. States may extend this window but are required at a minimum to not enforce requirements during this window.

The amended regulation also removed the 30-day minimum timeframe requirement for the annual election period and employee open enrollment. The removal of this provision gives greater flexibility and allows employees to obtain coverage in a quicker timeframe.

Other Business

The next meeting of the subcommittee was scheduled for Tuesday, June 17, at 1:30 p.m. at the Office of the Kentucky Health Benefit Exchange.

Adjournment

The meeting was adjourned at 2:28 p.m.